



# Maricopa County

Department of Finance

## Tom Manos

Chief Financial Officer  
301 West Jefferson Street  
Suite 950  
Phoenix, AZ 85003-2278  
Phone: 602.506-3561  
Fax: 602.506-4451  
www.maricopa.gov

Date: March 13, 2008  
To: David Smith, County Manager  
From: *T Manos* 3/13/08  
Tom Manos, Chief Financial Officer  
Subject: FY 07-08 Variance Report – February 2008

Attached is the financial activity through February 29, 2008 showing the budget versus actual comparisons for the General Fund and Detention Fund. This variance report is presented as an Executive Summary for your review. Comments regarding variances for major revenue and expenditure line items are provided below.

- **Property Tax Revenue YTD variance of (\$2,138,887):** Property Tax YTD revenue for FY 07-08 is 9.7 percent higher than FY 06-07 actuals with a current year negative budget variance of .8 percent. This variance is a result of timing issues on the payment of property tax bills and property tax revenues should be on target by fiscal year end.
- **Vehicle License Tax Revenue YTD variance of (\$1,799,244):** The FY 07-08 Vehicle License Tax YTD revenue is 1.7 percent lower than the FY 06-07 YTD actuals with a current year negative budget variance of 1.8 percent. The FY 07-08 budget was based on the April 2007 Pessimistic forecast from Elliott D. Pollack & Co. (EDP) and assumed zero percent growth over the previous fiscal year. February revenue was 7.4 percent less than the same month in the prior year. The February forecast from EDP is 2 percent growth in the Most Likely scenario and zero percent in the Pessimistic scenario.
- **Sales Tax Revenue YTD variance of (\$15,447,635):** The FY 07-08 Sales Tax revenue is 1.6 percent lower than the FY 06-07 YTD actuals with a current year negative budget variance of 4.7 percent. The FY 07-08 budget was based on the April 2007 Pessimistic forecast from EDP and assumed 3 percent growth over the previous fiscal year. February revenue was actually 6.2 percent less than the same month in the prior year. This trend is expected to continue, and may worsen based on recent reports from local economists. The February forecast from EDP was reduced to zero percent growth in the Most Likely scenario, and a 2 percent decline in the Pessimistic scenario. The latest forecasts are for budget shortfalls of \$17.0m to \$26.7m this fiscal year.
- **Interest Revenue YTD variance of \$8,365,451:** General Fund annualized interest income was budgeted conservatively at \$12m. Interest revenue is recorded quarterly and analysis of the YTD budget and actuals indicates an anticipated fiscal year end positive variance of approximately \$16m.

- **Personnel Services Expenditures YTD variance of \$7,938,224:** Overall, personnel services expenditures are 2.4 percent under budget. While many departments are recording significant savings, a number are over budget, usually due to unattained budgeted personnel savings.
- **Services Expenditures YTD variance of \$26,550,869:** The favorable variance is primarily attributable to savings in Non-Departmental, General Government, and Appropriated Fund Balance, offset by overruns in Contract Counsel. In General Government, the combined favorable variance of \$9.1m is due to litigation and consulting expenditures, which do not follow a predictable pattern. In Non-Departmental, a \$17.3m favorable variance is due to a combination of technical and timing issues. In Appropriated Fund Balance, the combined favorable variance of \$16.1m is primarily due to timing of information technology project expenditures. Payments by Public Defense Services (Contract Counsel) for private attorneys for indigent legal representation are \$3.5m over budget.
- **Intergovernmental Payments YTD variance of \$2,804,083:** The favorable variance is primarily due to savings in the Arizona Long Term Care System (ALTCS) contribution and delayed payments to non-profit agencies. The ALTCS contribution makes up \$1.6m of the favorable variance. The ALTCS contribution is budgeted at \$156.1m, but the actual contribution is only \$152.8m, a favorable variance of \$3.3m. The final ALTCS amount was not disclosed by the State until after County budget adoption. In addition, \$0.5m of the favorable variance is due to the timing of payments to non-profit agencies, and will not result in savings at fiscal year end.
- **Debt Service YTD variance of \$3,452,030:** The favorable variance is primarily due to delayed starts for lease purchase payments. Debt Service is under budget because the majority of loan obligations for technology purchases concluded July 31, 2007. The County is currently under an extended warranty period. A favorable debt service variance is expected to continue for the remainder of the fiscal year. Loan payments have resumed, but we still expect to maintain a significant favorable variance that will decline through the end of the fiscal year.
- **Capital Outlay Expenditures YTD variance of \$6,851,210:** The favorable variance is primarily due to delayed expenditures for vehicle replacement and major maintenance. It is not expected that these savings will be recurring; as the vehicles scheduled for replacement will eventually be purchased. The remainder of the variance, approximately \$3.6m, is the result of many major maintenance projects currently in the design phase and will progress beyond this phase. The design phase requires much lower expenditures than the construction phase. There will be a significant increase in expenditures as the fiscal year continues.

General Fund Departmental Variances:

**Elections** - General Fund expenditures are over budget YTD by \$1,060,108. The Elections Department is forecasted to exceed its current expenditure appropriation by approximately \$1.2m. The increase in expenditures is the result of the new Permanent Early Voting List (PELT) statute which went into effect for the Presidential Preference Election held in February. Early voting increased from the budgeted 75,000 early ballots to 450,930 actual early ballots. This caused the increased costs for the processing of early ballots. In addition, independent voters who showed up at polling locations for the Presidential Preference Election had to be provided a provisional ballot. The Elections Department processed 51,637 provisional ballots which increased overtime and temp costs for processing and follow up. It is expected that the Elections Department will ask the Board of Supervisors for an increase in revenue and expenditure authority in April. Revenues are expected to exceed the current budget by \$1.1m. Additional revenues for the FY 07-08 elections are estimated to be \$647,000, with an additional reimbursement from the Secretary of State for the Presidential Preference election estimated to be \$532,000.

**Internal Audit** - General Fund expenditures are over budget YTD by \$5,941 due to the timing of training programs and a delay in receiving anticipated reimbursement for audit work performed. The department expended training dollars earlier in the year than budgeted and has experienced some delays in receiving reimbursements from other departments. The department will be under budget by year end and no Corrective Action Plan is needed.

**Research & Reporting** - General Fund expenditures are over budget YTD by \$1,578 due to the use of temporary help. Earlier than anticipated personnel expenses for temporary help utilized to work on the County General Population Survey has caused this unfavorable, and temporary, variance. The department expects to be within budget by fiscal year end and no Corrective Action Plan is needed.

**Constables** - Constables General Fund expenditures are over budget YTD by \$16,221 due to the purchase of new radio equipment. The YTD variance is due largely to the timing of the purchase and the department will be within budget within the quarter.

**Juvenile Probation** - General Fund expenditures are over budget YTD by \$232,287 due to unattained personnel savings. The department is working with OMB on a Corrective Action Plan and anticipates expenditures to be under budget by fiscal year end.

**Office of Contract Counsel** - General Fund expenditures are over budget YTD by \$3,458,818. Negative YTD budget to actual variances associated with contracted Felony Representation cases represent the bulk of the overrun, including variances of (\$722,811) for Capital cases, (\$2.1m) for Class 2 through 6 Felony cases, and (\$296,499) for Adult Appeal cases. Indigent Representation forecasts a General Fund overrun of \$3.85m at fiscal year end. The department is working with OMB on a Corrective Action Plan.

## **Detention Fund**

### **Revenues**

- **Sales Tax Revenue YTD variance of (\$4,416,691):** The FY 07-08 budget was based on the April 2007 Pessimistic forecast from Elliott D. Pollack & Co. (EDP) and assumed 3 percent growth over the previous fiscal year. February revenue was actually 8.5 percent less than the same month in the prior year and YTD revenue was 1.9 percent lower than prior year collections. This trend is expected to continue, and may worsen based on recent reports from local economists. The February forecast from EDP was reduced to zero percent growth in the Most Likely scenario, and a 2 percent decline in the Pessimistic scenario. The latest forecasts are for budget shortfalls of \$4.4m to \$7.3m this fiscal year.

### **Expenditures**

There are no negative variances in any expenditure category within the Detention Fund.

- **Personal Services YTD variance of \$2,008,257:** The favorable variance in personal services is primarily due to the Sheriff's Office hiring freeze that is currently in place.
- **Services YTD variance of \$6,922,613:** The favorable variance is primarily due to unspent contingency funds.
- **Capital Outlay YTD variance of \$6,803,924:** The favorable variance is primarily due to delayed expenditures for vehicle replacement and major maintenance. It is not expected that these savings will be recurring; as the vehicles scheduled for replacement will eventually be purchased and many major maintenance projects currently in design will progress beyond the design phase (this phase requires much lower expenditures than construction phases). There will be a significant increase in expenditures as the fiscal year continues.

Departmental Variances

All departmental expenditure budget variances are favorable at the present time.

To ensure effective management of budgeted funds, OMB continues to work with departmental liaisons to rectify negative variances. In a collaborative effort, the Department of Finance continues to provide accurate and timely financial information to support management decisions.

Please review and let me know if you have any questions that we can address.

Cc: Sandi Wilson  
Assistant County Managers  
Shelby Scharbach  
DOF Finance Managers  
OMB Deputy Directors  
OMB Budget Supervisors



# General Fund Executive Summary

**As of February 29, 2008**

<b>Revenues</b>	<b>Revised FY Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>
Property Taxes	425,284,450	256,934,778	254,795,891	(2,138,887)
Vehicle License Taxes	143,247,168	97,384,716	95,585,472	(1,799,244)
Sales Taxes	497,453,141	329,497,169	314,049,534	(15,447,635)
Intergovernmental	12,359,263	5,029,724	5,486,467	456,743
Interest	12,000,000	4,910,263	13,275,714	8,365,451
Miscellaneous	82,373,084	53,866,286	56,369,768	2,503,482
Transfers In	6,838,417	4,558,945	4,558,937	(8)
<b>Total Revenues</b>	<b>1,179,555,523</b>	<b>752,181,881</b>	<b>744,121,783</b>	<b>(8,060,098)</b>
<b>Expenditures</b>				
Personnel Services	489,241,440	325,311,811	317,373,587	7,938,224
Supplies	33,402,985	9,524,136	8,273,843	1,250,293
Services	337,240,554	114,720,099	88,169,230	26,550,869
Intergovernmental Payments	223,060,697	148,820,796	146,016,713	2,804,083
Debt Service	13,777,818	9,052,313	5,600,283	3,452,030
Capital Outlay	19,950,476	13,836,398	6,985,188	6,851,210
Transfers Out	217,189,228	153,677,768	153,661,902	15,866
<b>Total Expenditures</b>	<b>1,333,863,198</b>	<b>774,943,321</b>	<b>726,080,746</b>	<b>48,862,575</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(154,307,675)</b>	<b>(22,761,440)</b>	<b>18,041,034</b>	<b>40,802,474</b>
Beginning Fund Balance	414,158,357	414,158,357	445,090,202 <sup>(1)</sup>	30,931,845
<i>Revenues</i>	1,179,555,523	752,181,881	744,121,783	(8,060,098)
<i>Expenditures</i>	1,333,863,198	774,943,321	726,080,746	48,862,575
Fund Balance with Designations	259,850,682	391,396,917	463,131,239	71,734,322
<i>Fund Balance Designations (2)</i>	249,543,563	249,543,563	249,543,563	-
Undesignated Ending Fund Balance	10,307,119	141,853,354	213,587,676	71,734,322

1. Unaudited Beginning Fund Balance

2. Fund Balance Designations:

Budget Stabilization:

Cash Flow/Property Tax      54,000,000

Reserve                              157,809,663

Benefits Self-Funding Reserve      34,300,000

Sheriff Court Remodel              3,433,900

**Total:**                              **249,543,563**

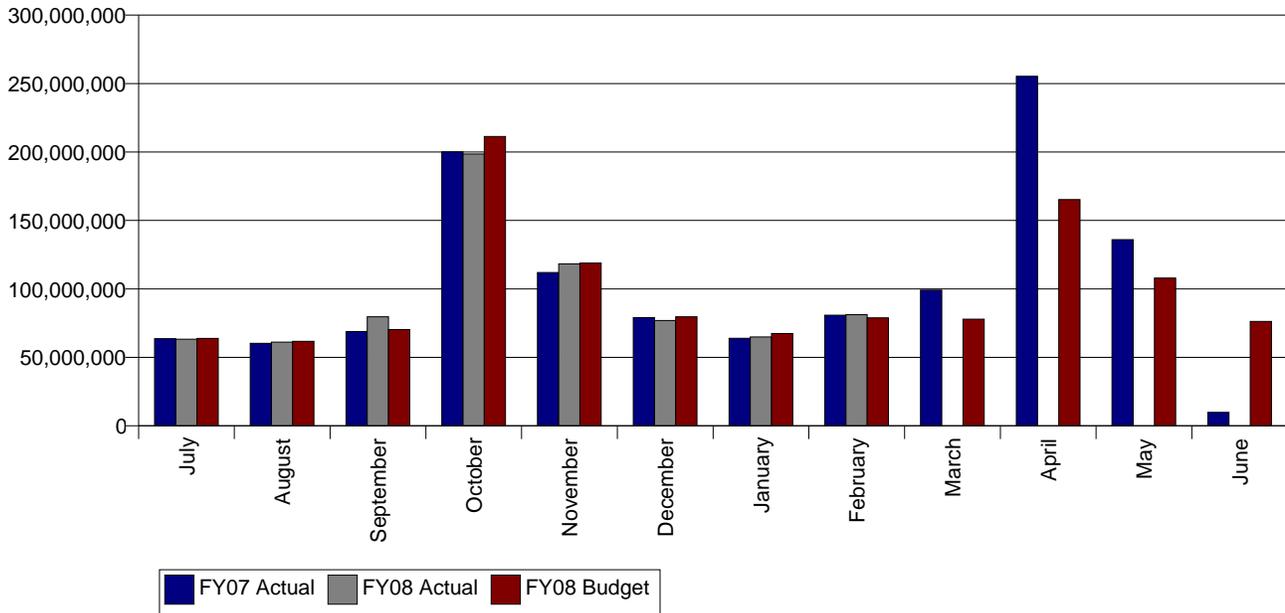


# General Fund

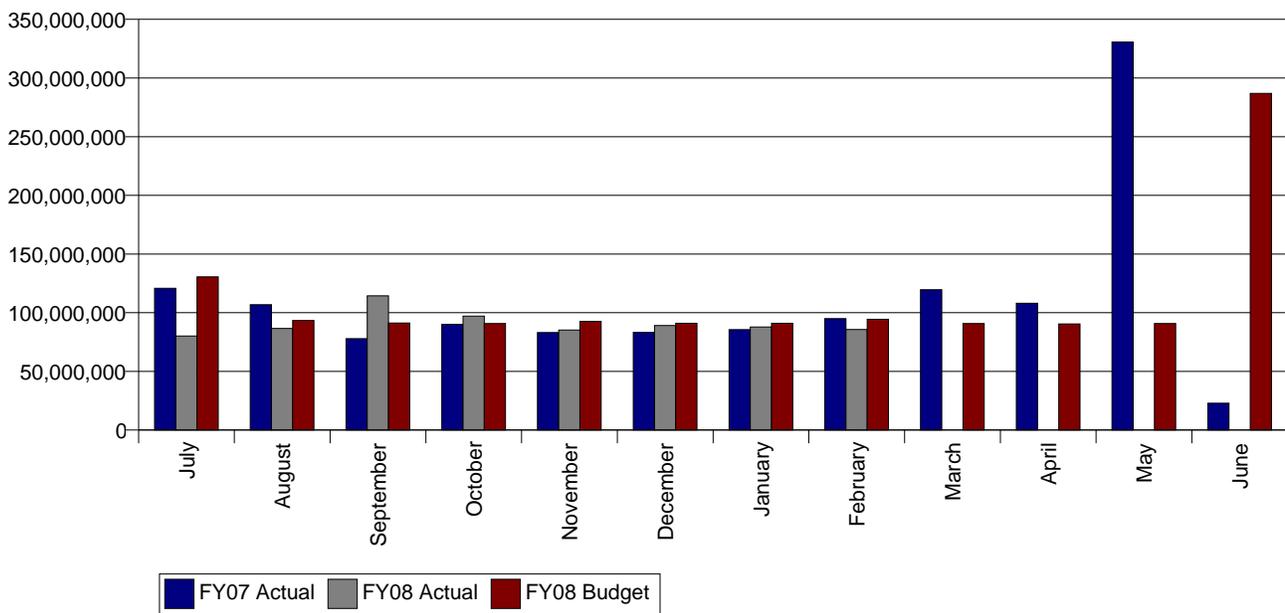
## Executive Summary

As of February 29, 2008

### Revenues



### Expenditures





# General Fund

## Category Detailed by Agency

### As of February 29, 2008

General Government	Revised Budget	YTD Budget	YTD Actual	Variance	% of Variance
ASSESSOR	25,477,383	17,001,746	16,270,638	731,108	4.30 %
BOARD OF SUPERVISORS CLERK	783,071	536,063	484,869	51,194	9.55 %
BOARD OF SUPERVISORS DIST 1	389,161	263,815	242,176	21,639	8.20 %
BOARD OF SUPERVISORS DIST 2	389,161	259,594	240,305	19,289	7.43 %
BOARD OF SUPERVISORS DIST 3	389,161	261,170	221,151	40,019	15.32 %
BOARD OF SUPERVISORS DIST 4	389,161	252,302	216,055	36,247	14.37 %
BOARD OF SUPERVISORS DIST 5	389,161	259,582	247,698	11,884	4.58 %
COUNTY CALL CENTER	1,763,208	1,201,554	1,151,090	50,464	4.20 %
COUNTY MANAGERS OFFICE	2,300,030	1,544,497	1,419,848	124,649	8.07 %
ELECTIONS	12,135,604	8,685,621	9,745,729	(1,060,108)	-12.21 %
ENTERPRISE TECHNOLOGY	10,592,666	7,074,780	6,623,188	451,592	6.38 %
FACILITIES MANAGEMENT	14,177,995	9,572,771	8,894,242	678,529	7.09 %
FINANCE	4,091,497	2,770,412	2,645,745	124,667	4.50 %
INTERNAL AUDIT	1,988,203	1,228,926	1,234,867	(5,941)	-0.48 %
MANAGEMENT & BUDGET	3,087,661	2,077,638	1,761,918	315,720	15.20 %
MATERIALS MANAGEMENT	2,123,861	1,415,025	1,368,819	46,206	3.27 %
RECORDER	2,626,351	1,738,373	1,602,426	135,947	7.82 %
RESEARCH & REPORTING	444,441	264,911	266,489	(1,578)	-0.60 %
TREASURER	5,172,199	3,500,292	3,251,039	249,253	7.12 %
WORKFORCE MGMT & DEVELOPMENT	1,247,994	872,222	864,635	7,587	0.87 %
<b>Subtotal</b>	<b>89,957,969</b>	<b>60,781,294</b>	<b>58,752,927</b>	<b>2,028,367</b>	<b>3.34 %</b>
<b>Public Safety</b>	<b>Revised Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>% of Variance</b>
ADULT PROBATION	66,151,242	44,268,245	44,195,912	72,333	0.16 %
CLERK OF SUPERIOR COURT	34,052,040	22,914,550	22,571,566	342,984	1.50 %
CONSTABLES	2,434,957	1,621,222	1,637,443	(16,221)	-1.00 %
CORRECTIONAL HEALTH	4,076,942	2,777,489	2,514,450	263,039	9.47 %
COUNTY ATTORNEY	72,397,991	48,486,470	47,821,719	664,751	1.37 %
EMERGENCY MANAGEMENT SVCS	268,636	179,115	160,516	18,599	10.38 %
JUSTICE SYSTEM PLANNING INFO	846,536	518,365	395,128	123,237	23.77 %
JUVENILE PROBATION	21,190,397	14,208,163	14,440,450	(232,287)	-1.63 %
LEGAL DEFENDER	9,799,432	6,479,005	6,162,304	316,701	4.89 %
MEDICAL EXAMINER	8,083,502	5,400,984	5,237,129	163,855	3.03 %
OFFICE CONTRACT COUNSEL	17,247,643	10,014,179	13,472,997	(3,458,818)	-34.54 %
OFFICE OF LEGAL ADVOCATE	8,694,685	5,710,945	5,363,547	347,398	6.08 %
PUBLIC DEFENDER	40,974,306	27,424,165	27,315,462	108,703	0.40 %
PUBLIC FIDUCIARY	2,813,379	1,872,934	1,789,380	83,554	4.46 %
SHERIFF	72,279,251	48,629,016	47,674,164	954,852	1.96 %
TRIAL COURTS	86,285,203	57,855,163	57,277,826	577,337	1.00 %
<b>Subtotal</b>	<b>447,596,142</b>	<b>298,360,010</b>	<b>298,029,993</b>	<b>330,017</b>	<b>0.11 %</b>
<b>Health, Welfare and Sanitation</b>	<b>Revised Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>% of Variance</b>
ANIMAL CONTROL SERVICES	360,115	240,513	236,843	3,670	1.53 %
ENVIRONMENTAL SERVICES	7,059,208	4,374,583	2,417,846	1,956,737	44.73 %
HUMAN SERVICES	2,702,378	1,801,590	1,105,952	695,638	38.61 %
PUBLIC HEALTH	12,921,147	8,650,398	7,410,292	1,240,106	14.34 %
<b>Subtotal</b>	<b>23,042,848</b>	<b>15,067,084</b>	<b>11,170,933</b>	<b>3,896,151</b>	<b>25.86 %</b>
<b>Culture and Recreation</b>	<b>Revised Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>% of Variance</b>
PARKS & RECREATION	1,764,191	1,163,376	1,115,969	47,407	4.07 %
<b>Subtotal</b>	<b>1,764,191</b>	<b>1,163,376</b>	<b>1,115,969</b>	<b>47,407</b>	<b>4.07 %</b>
<b>Education</b>	<b>Revised Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>% of Variance</b>
SUPERINTENDENT OF SCHOOLS	2,449,728	1,637,267	1,533,834	103,433	6.32 %
<b>Subtotal</b>	<b>2,449,728</b>	<b>1,637,267</b>	<b>1,533,834</b>	<b>103,433</b>	<b>6.32 %</b>
<b>Other Gov Fund</b>	<b>Revised Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>% of Variance</b>
GENERAL GOVERNMENT	247,044,718	164,283,791	155,202,385	9,081,406	5.53 %
GEN GOV APPROP'ED FND BALANCE	163,939,156	65,111,996	49,069,762	16,042,234	24.64 %
NON-DEPARTMENTAL	358,068,446	168,538,503	151,204,943	17,333,560	10.28 %
<b>Subtotal</b>	<b>769,052,320</b>	<b>397,934,290</b>	<b>355,477,090</b>	<b>42,457,200</b>	<b>10.67 %</b>
<b>Total Expenditures</b>	<b>1,333,863,198</b>	<b>774,943,321</b>	<b>726,080,746</b>	<b>48,862,575</b>	<b>6.31 %</b>



# Detention Fund

## Executive Summary

### As of February 29, 2008

<b>Revenues</b>	<b>Revised FY Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>
Sales Taxes	149,823,673	99,877,971	95,461,280	(4,416,691)
Interest	3,000,000	2,000,000	4,473,505	2,473,505
Miscellaneous	28,548,509	19,032,345	22,689,865	3,657,520
Transfers In	165,933,494	110,622,330	110,622,329	(1)
<b>Total Revenues</b>	<b>347,305,676</b>	<b>231,532,646</b>	<b>233,246,979</b>	<b>1,714,333</b>
 <b>Expenditures</b>				
Personnel Services	234,966,063	155,661,442	153,653,185	2,008,257
Supplies	14,129,562	9,655,365	9,578,526	76,839
Services	113,705,826	41,105,825	34,183,212	6,922,613
Debt Service	1,907,618	1,271,764	1,022,623	249,141
Capital Outlay	16,665,905	11,223,562	4,419,638	6,803,924
Transfers Out	32,112,796	32,112,796	32,112,796	-
<b>Total Expenditures</b>	<b>413,487,770</b>	<b>251,030,754</b>	<b>234,969,980</b>	<b>16,060,774</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(66,182,094)</b>	<b>(19,498,108)</b>	<b>(1,723,001)</b>	<b>17,775,107</b>
<b>Beginning Fund Balance</b>	<b>145,551,542</b>	<b>145,551,542</b>	<b>146,163,844 <sup>(1)</sup></b>	<b>612,302</b>
<i>Revenues</i>	<b>347,305,676</b>	<b>231,532,646</b>	<b>233,246,979</b>	<b>1,714,333</b>
<i>Expenditures</i>	<b>413,487,770</b>	<b>251,030,754</b>	<b>234,969,980</b>	<b>16,060,774</b>
<b>Fund Balance with Designations</b>	<b>79,369,448</b>	<b>126,053,434</b>	<b>144,440,843</b>	<b>18,387,409</b>
<i>Fund Balance Designations (2)</i>	<b>75,000,000</b>	<b>75,000,000</b>	<b>75,000,000</b>	<b>-</b>
<b>Undesignated Ending Fund Balance</b>	<b>4,369,448</b>	<b>51,053,434</b>	<b>69,440,843</b>	<b>18,387,409</b>

1. Unaudited Beginning Fund Balance

2. Fund Balance Designations:

Future Capital Projects	75,000,000
<b>Total:</b>	<b>75,000,000</b>

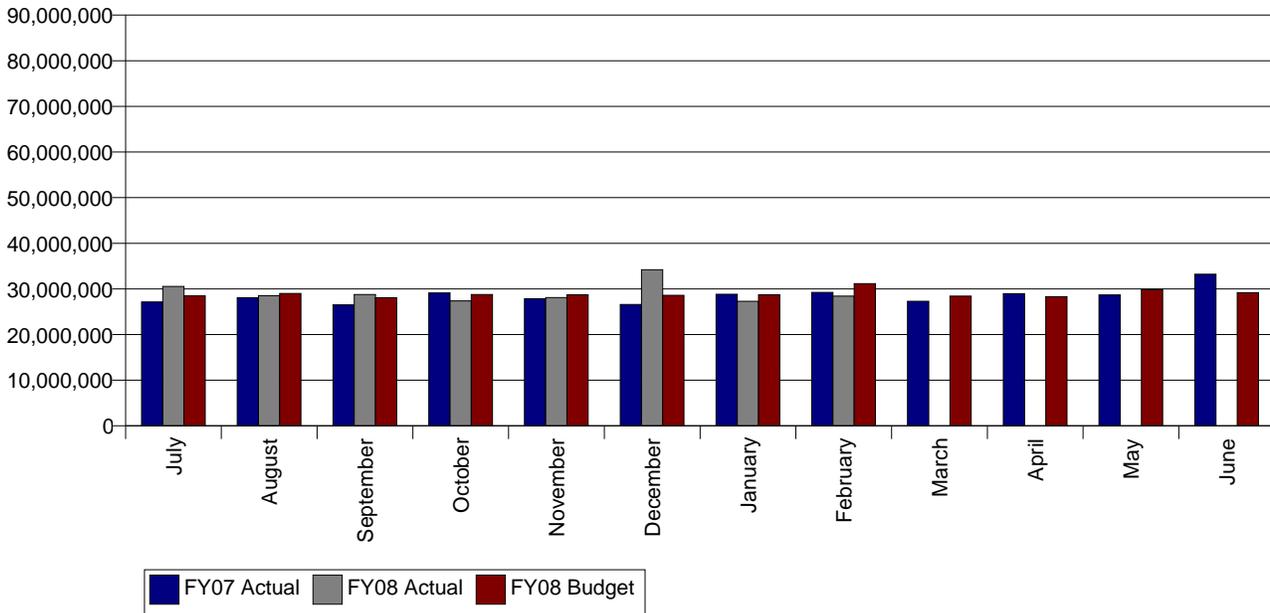


# Detention Fund

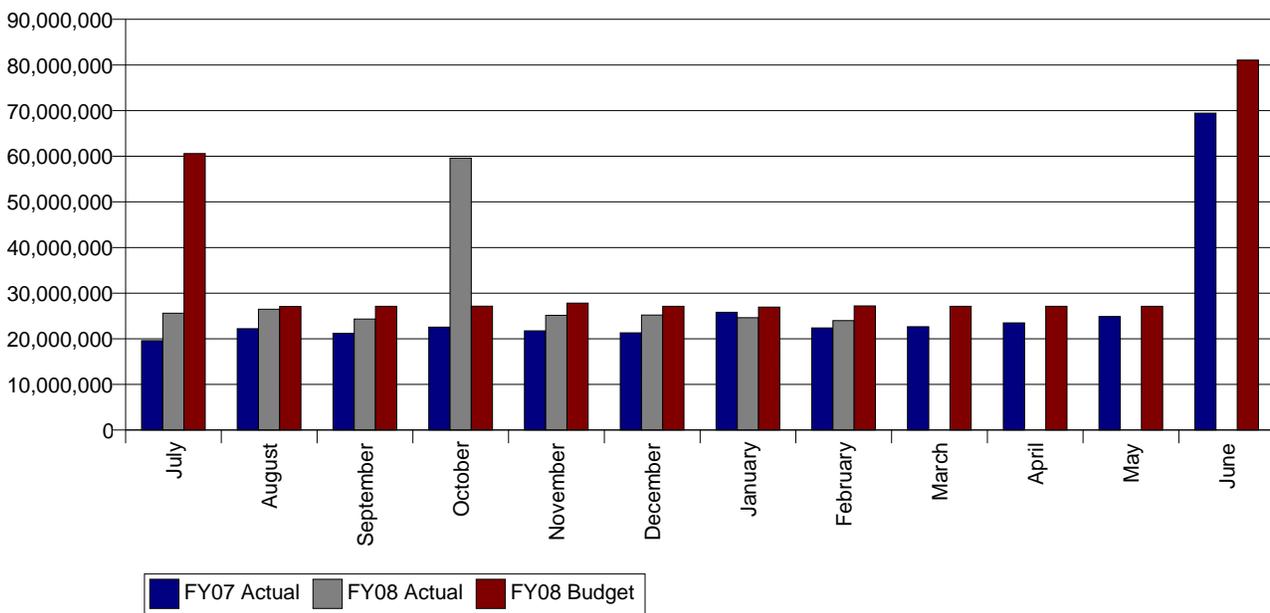
## Executive Summary

As of February 29, 2008

### Revenues



### Expenditures





**Detention Fund**  
**Category Detailed by Agency**  
**As of February 29, 2008**

**Revenues**

<b>Agency</b>	<b>Revised Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>% of Variance</b>
262 - CORRECT'L HLTH DETENTION FUND	6,500	4,336	2,386	(1,950)	(44.97)%
472 - NON-DEPT-DETENTION FUND	318,757,167	212,500,301	210,568,683	(1,931,618)	(0.91)%
482 - GEN GOV DETENTION FUND	1,946,762	1,297,842	2,926,154	1,628,312	125.46%
507 - SHERIFF DETENTION FUND	26,595,247	17,730,167	19,749,757	2,019,588	11.39%
	<b>347,305,676</b>	<b>231,532,646</b>	<b>233,246,979</b>	<b>1,714,333</b>	<b>0.74%</b>

**Expenditures**

<b>Agency</b>	<b>Revised Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>% of Variance</b>
262 - CORRECT'L HLTH DETENTION FUND	48,802,468	32,777,944	31,933,747	844,197	2.58%
276 - JUV PROB'TN DETENTION FUND	36,391,339	24,267,079	23,896,034	371,045	1.53%
420 - JUSTICE SYSTEM PLANNING INFO	1,913,044	1,368,064	1,032,977	335,087	24.49%
472 - NON-DEPT-DETENTION FUND	58,067,048	17,301,189	9,589,934	7,711,255	44.57%
482 - GEN GOV DETENTION FUND	68,128,856	41,463,685	36,539,003	4,924,682	11.88%
507 - SHERIFF DETENTION FUND	196,978,781	131,687,764	130,169,969	1,517,795	1.15%
701 - DETENTION OPERATIONS	3,206,234	2,165,029	1,808,316	356,713	16.48%
	<b>413,487,770</b>	<b>251,030,754</b>	<b>234,969,980</b>	<b>16,060,774</b>	<b>6.40%</b>